

Position Statement

HB 5548 & 5549 and HB 5525 Renewable Energy Standard and Energy Efficiency

The Sierra Club appreciates the extraordinary effort and commitment that has been invested in developing the renewable energy and energy efficiency components of the House energy package. We also understand the urgency to move these portions of the energy package forward. The bills as currently drafted are a step forward toward making Michigan more energy independent.

At this time the Sierra Club supports the bills moving through committee, but will withhold commitment on supporting the bills themselves until numerous concerns have been addressed. We have been assured that amendments will be considered on the floor and that moving these two bills forward at this time will not preclude additional work to make this a stronger package.

Most important, the renewable energy and energy efficiency bills should be part of a comprehensive package that protects ratepayers and ensures Michigan's energy dollars are invested wisely. An Integrated Resource Planning process, enabling a fair comparison of the cost of renewable and efficiency against additional baseload, is critical. Michigan must not be forced to absorb the cost of new coal or nuclear plants if renewables and energy efficiency are more cost effective for ratepayers, while addressing the issue of global warming.

Our remaining concerns about the bills include:

Renewable Portfolio Standard:

- The standard and timeline for implementation should be stronger. The Sierra Club supports a 20% renewable standard by 2020.
- The definition of the word "wood" needs more detail because of its potential impact on forest health in Michigan.
- Hydroelectric from pumped storage appears to be double-counted. RECs should be available for power as it is generated or as it is used after being pumped to storage, but not both.
- Additional clarity on the cost cap is necessary. It is critical that any cost cap doesn't inadvertently send the wrong message to consumers and that cost caps on renewable investments are evaluated against similar investments in other baseload energy sources, including coal and/or nuclear. In addition, any cost cap should not disproportionately impact one class of ratepayer more than another.

Energy Efficiency

- Proposed rulemaking on the Efficiency bill could delay implementation up to a year. It is essential that rulemaking for this bill take place concurrent with implementation.
- The cost of implementing energy efficiency should be allocated to ratepayers on a volumetric basis, not per meter.

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